GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:3958
ANSWERED ON:19.04.2000
CLOSURE OF SMALL SCALE INDUSTRIAL UNITS
PAWAN KUMAR BANSAL;UMA BHARATI SUSHREE

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the Government are aware that a large number of small scale industrial units are closed in the country;

(b) if so, the reasons therefor and the number of units so closed, State-wise;

(c) the number of employees retrenched as a result of closure;

(d) the steps taken by the Government to revive these closed units; and

(e) the proposals cleared by Foreign Investment Promotion Board for setting up industries which were under SSI reservation till, 1998?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a), (b) & (c): Yes, Sir. The major reasons for the closure of the small scale industrial (SSI) units are inadequacy of credit, marketing problems, managerial inadequacies, technological obsolescence, etc. The Reserve Bank of India (RBI) maintains data on sick SSI units and not for closed units. As per the latest data compiled by the RBI, the number of sick SSIs at the end of March, 1999 was 3,06,221. The State-wise data on sick small scale industries as at the end of March, 1998 is given in the Annexure.The State-wise data on sick SSIs at the end of March, 1999 has not been released by the RBI.The data on number of employees retrenched as a result of closure of SSI units is not maintained by the RBI.

(d) The Government is fully seized of the incidence of industrial sickness amongst SSI units and has taken various measures to facilitate timely identification and rehabilitation of potentially viable sick industries, which inter-alia, includes institutional mechanism in the form of State Level Inter Institutional Committee, special rehabilitation cells in banks and State financial institutions and, elaborate guidelines issued by RBI for extending rehabilitation assistance to eligible units.

(e) During the period from August 1991 to December 1998, total number of 143 foreign collaboration approvals have been granted by the Government for manufacture of SSI reserved items.